

## **EXECUTIVE SUMMARY**

### **Operating Budget**

#### **Average salary increases**

Historically, our municipality has experienced severe challenges when it comes to salaries as percentage of total budgeted and actual expenditure. Although there is slight and perpetual decline in this ratio in the prior years we have not reached the required percentage on overall operational expenditure as per National Treasury guideline of between 30% - 35%. During prior years salaries and allowances have shown an average increase of 8% and 9% for 2007/2008 – 2008/2009 financial years.

This has been coupled with provision for critical posts of approximately R3.1m. Whilst provision for review of grade for our municipality (Grade 3) had been incorporated in the budget the actual implication is (R1.3m) and will be realised once the process has been completed. The other challenge is the alignment of salary scales from Eastern Cape and those of KZN which will have a financial implication during implementation.

Our revised budget for the year 2008/2009 on salaries was R25,768,269 and current budget was increased by 11% to the value of R28,6M. We also added the new critical position and that led us at R31,2M which is 36% of the operational expenditure. This is a significant decline on our salaries as compared to previous years .

#### **MM and Council**

There has been an increase under these Departmental line items that considered the following i.e the Audit Committee fees @ R0.8M and legal fees @ R 1.4M of the institution

#### **Corporate services**

The institution have centralized all auxiliary services in Corporate Services department like Security fees @ R 1.3M Staff Training @ R0.714M Cleaning Services @ R0.700M

#### **Budget and Treasury Office**

Some projects that are in operation in this department are the following:

Debt Management System that is used to evaluate the performance of debtors	R1.8M
Provision for maintenance support of IT	R0.4M
Commission paid to Agencies	R1.5M
Audit Fees	R1.2M

## Infrastructure Department

Increase in repairs and maintenance is caused the following items:

Street cleaning and improvement in installation of road signs	R2M
Renovation of Community Halls which are in bad condition	R1.5M
Renovation of gravel roads and bridges	R1.5M
Repairs on bridges and structures	R1.5M
Renovation of Municipal building	R1.M

## Tariff

For the Umzimkhulu Local Municipality this budget also coincides with the implementation of property rates based on the new general valuation of property in terms of the new Municipal Property Rates Act. In terms of this Act, the basis of valuation has changed from rating land on market value and buildings on depreciated replacement cost to valuing the buildings also at market value i.e. the properties are now being valued at full market value. While it was never used to determine the rates payable, the last general valuation was conducted in 2004.

Tariffs for 2009/2010 have increased by 10%

<b>Refuse</b>	
(a) Domestic Household	R74.58
(b) Business (small& Medium)	R136.36
© Large Institution/Business	R1129.23

<b>Town and Ibisi hall hire</b>	
(a) Day time (hourly rate)	R35,06
(b) Night(flat rate)	R708.62
© Refundable indemnity fee	R805.25

<b>Cemetery</b>	
(a) Own digging	R402,62
(b) Council digging	R805.25

<b>Grass Cutting</b>	
(a) Square 100mete rate)	R366,02
(b) Travelling/ km	R40.43

<b>Private Dumping/ Load</b>	
(a) Refuse bag	R21,25
(b) Van Load	R53,16
(c) Tractor Truck Load	R974,35
(d) Other per refuse bag	R141,72

Application fee for Advertisement	R146,41
Repairs and maintenance service fees	R241,57

### **Infrastructure**

Road projects that will be constructed during the year to the value of R27.8M are funded by MIG. Roll-over projects to the value of R11.5M of which R10.5M is for projects that are funded by LGTA which were implemented during the current financial year.

### **Housing and Planning**

Housing projects to the value of R25M have not been included in this budget due to delayed processes of implementation. However these projects will be included in the adjustment budget when all related processes have been completed.

## **BUDGET ASSUMPTIONS**

This budget has been prepared in accordance with the Medium Term Revenue and Expenditure Framework (the MTREF) and it is also informed by the Budget Review 2009 and the 2009 Division of Revenue Bill.

The municipality's 2009/2010 through to 2011/12 budget continues to reflect the municipality's priorities. Which are Local Economic Development, Infrastructure Development and Maintenance, improved service delivery to our community and continued investment in the municipality's human capital.

The overriding challenge for the municipality is to enhance sustainable development, while improving the lives of the residents through various strategies and initiatives. Therefore, this budget reflects these aspirations and thus it duly recognizes both the opportunities and the challenges facing the municipality.

Given the global economic crisis National Treasury has issued certain guidelines which are reiterated as follows:

- That the municipality must give priority to managing all revenue streams especially debtors;
- Protecting the poor from the worst impacts of the economic downturn;
- Supporting meaningful local economic development initiatives that foster micro and small business and job creation;
- Securing the health of the municipality's asset base by increasing strategic spending on repairs and maintenance;
- Expediting spending on capital projects that are funded by conditional grants.

### **Key financial indicators**

Budget assumptions / parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

<b>Description</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	%	%	%
Headline CPI inflation (Treasury)	5.4	5.1	4.6
Remuneration increase	11.1	10	10
Telephones	10	10	10
Fuel and oil	11	12	12
Printing and stationery	10	10	10

## **Collection rates for each revenue source**

Historically, our municipality has experienced severe challenges when it comes to collection of dues from consumer debtors, in respect of all consumer debtor type being government, institutional, business and private dwelling individual debtors. However in the course of 2007/08 extending to the 2008/09 we have instituted a project aimed at addressing this challenge. Notwithstanding the fact that the project is not completed as yet, the impact of the project is nonetheless visibly bearing fruit. On this basis therefore, the municipality is anticipating substantially higher collections rate than ever achieved in the past. This applies to all service consumer debtor type as debtors collection and recovery strategy was implemented.

Projected collection rates:	Projections
Assessment rates	65%
Refuse	68%
Municipal property lease debtors	96%

## **Overview of budget-related policies**

Historically and since 1994, the functions and responsibilities of municipalities to their respective communities served have increased at an exponential rate, yet the revenue sources available to municipalities to serve these communities has not increased proportionately. Therefore, municipalities are always hard-pressed to squeeze the increased community needs year-on-year in the static and sometimes shrinking revenue source. Our municipality is equally facing this challenge that continues to confront the rest of the municipalities in the country regardless of the size of the municipality.

Accordingly and notwithstanding these challenges, municipalities have to nonetheless 'tighten' the belt and present a balanced yet credible budget based on realistic estimates of revenue that are consistent with their budgetary resources and collection experience. As mentioned above, the needs of the residents and communities have to be met within the financial capacity and resource constraints of the municipality. The following budget related policies were approved in the past by the council and are currently being reviewed / amended in line with National Guidelines and other legislation.

### **Credit control and debt collection policy**

As mentioned above, this policy has been in existence for a while and is reviewed annually to ensure its alignment. When it comes to budgeting the cash flow service consumers and the rest of the debtors balances being serviced, this policy has been taken into account in the budgeting process.

### **Assessment rates policy**

Section 3(1) of the Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004) and section 62 (1)(f) of the MFMA determines that a municipality must adopt and implement

a rates policy on levying of rates on rateable properties. This policy was reviewed in the course of 2008/09 and amended so as to be aligned to the Municipal Property Rates Act (the MPRA), which for our municipality comes into effect on 01 July 2009. The draft policy was approved by the council and then publicized for public comment in accordance with the requirements of the MPRA and finally adopted by the council post the public participation at the end of January 2009. This budget has been prepared in accordance with this policy as far as rates revenue is concerned.

### **Indigent policy**

The indigent policy historically approved in the past is in operation. Currently, the data collection process is in motion whereby all the households in Wards 11 and 16 are being visited for the purpose of updating the indigents register. Once done this data will be vital for budgeting purposes for the 2009/10 purposes and beyond

### **Tariff policy**

Currently, the tariff policy has not been published. This is a strategic position that the municipality has adopted and this policy for the forthcoming financial year, will be published at the end of March 2009.

### **Supply chain management policy**

This policy is a means through which the municipality acquires goods and services in the course of service delivery and municipal administration. No changes were made during the current year and none are foreseen in the 2009/10 financial year, however, the impact of the supply chain management policy on the budget remains vast as a number of expenditure patterns are assumed based on this policy.

### **Funding of the budget**

The current budget as it stands will be funded as follows:

The municipality display a balanced budget which is fully funded by revenue coming from various sources. Major source of funding that finance operational expenditure is equitable share and is evident in the following table.

<b>Revenue category</b>	<b>R'000</b>
Rates	12,000
Refuse	1,000
Interest	3,148
Other income	13,749
Equitable share	46,711
Conditional grants	7,039
Provincial Conditional grants	2,101
<b>Total</b>	<b>85,748</b>

Capital Budget totalling to R42M has been funded by conditional grants like MIG and LGTA grants



SUPPORTING TABLE 1  RECONCILIATION OF IDP & BUDGET - REV		Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
						Budget R'000 E	Budget R'000 F	Budget R'000 G
Strategic Objective	Action Plan							
Effective Revenue Collection	Other service charges	763 947	11 500 000	11 500 000	11 500 000	11 650 000	13 048 000	14 613 760
Effective Revenue Collection	Assessment Rates	2 718 001	2 599 694	1 599 694	1 599 694	12 000 000	13 440 000	15 052 800
Sustainable Services	Waste Management	0	0	0	0	1 000 000	1 120 000	1 254 400
Sustainable Services	Community	2 828 807	3 194 699	1 799 602	1 799 602		0	0
Effective Implementation of Revenue Policy	Interst on Investment	1 601 128	500 000	2 862 218	2 862 218	3 148 440	3 526 253	3 949 403
Sustainable Services	Equitable share	27 121 000	34 815 000	36 313 000	36 313 000	46 711 000	57 767 000	63 035 000
Sustainable Services	Provincial Grants	8 465 097	9 458 994	16 178 597	16 178 597	11 625 574	5 707 673	6 626 594
Effective Maintenance of Cemeteries	Cemeteries		17 600	17 600	17 600	19 360	21 683	24 285
<b>TOTAL OPERATING REVENUE</b>		<b>43 497 980</b>	<b>62 085 987</b>	<b>70 270 711</b>	<b>70 270 711</b>	<b>86 154 374</b>	<b>94 630 609</b>	<b>104 556 242</b>

Column Definitions:

- A. The audited actual for 2006/07 as per the audited financial statements. If audit figures are not available for 2006/07, pre audit figures must be provided with a note stating these are pre audit.  
B. The original budget approved by council for the 2008/09 budget year.  
C. The budget for 2008/09 budget year as adjusted by council resolution in terms of section 28 of the MFMA.  
D. An estimate of final actual figures (pre audit) for the 2008/09 budget year at the point in time of preparing the budget for the 2009/10 budget year. This may differ from C.  
E. The amount to be appropriated for the 2009/10 budget year.  
F. The indicative projection for 2010/11  
G. The indicative projection for 2011/12

Notes:

1. The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their IDP.  
2. Totals agree to totals of Revenue by Source (see Annexure 3, Table 1 - Revenue by Source on page 20)  
3. Zeros are used where no amount is applicable



SUPPORTING TABLE 2  RECONCILIATION OF IDP & BUDGET - OPEX		Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
						Budget R'000 E	Budget R'000 F	Budget R'000 G
Strategic Objective	Action Plan							
Sustainable Services	Salaries	20 532 171	24 038 196	25 749 787	25 749 787	31 205 826	34 950 525	39 144 588
Sustainable Services	General Expenses	26 588 691	27 397 901	39 436 924	39 436 924	39 424 079	44 154 968	49 453 565
Sustainable Services	Repairs and Maintenance	1 822 871	4 866 000	5 084 000	5 084 000	10 538 400	11 803 008	13 219 369
Sustainable Services	Contribution to capital outlay		5 783 900			4 580 000	5 129 600	5 745 152
<b>TOTAL OPERATING EXPENDITURE</b>		<b>48 943 733</b>	<b>62 085 997</b>	<b>70 270 711</b>	<b>70 270 711</b>	<b>85 748 305</b>	<b>96 038 102</b>	<b>107 562 674</b>

Column Definitions:

- A. The audited actual for 2006/07 as per the audited financial statements. If audit figures are not available for 2006/07, pre audit figures must be provided with a note stating these are pre audit.  
B. The original budget approved by council for the 2008/09 budget year.  
C. The budget for 2008/09 budget year as adjusted by council resolution in terms of section 28 of the MFMA.  
D. An estimate of final actual figures (pre audit) for the 2008/09 budget year at the point in time of preparing the budget for the 2009/10 budget year. This may differ from C.  
E. The amount to be appropriated for the 2009/10 budget year.  
F. The indicative projection for 2010/11  
G. The indicative projection for 2011/12

Notes:

1. The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their IDP.  
2. Totals agree to totals of Operating Expenditure by Vote (see Annexure 3, Table 2 - Operating Expenditure by Vote on page 23)

SUPPORTING TABLE 3  RECONCILIATION OF IDP & BUDGET - CAPEX		Preceding Year 2007/2008	Current Year 2008/2009				Medium Term Revenue and Expenditure Framework		
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012	
						Budget R'000 E	Budget R'000 F	Budget R'000 G	
Strategic Objective	Action Plan								
Sustainable Services	Electricity	3 300 000							
Sustainable Services									
Sustainable Services									
Sustainable Services									
Sustainable Services						3 325 534			
Sustainable Services									
Infrastructure	Access Roads	19 397 393	43 444 815	43 444 815	43 444 815	34 500 976	32 998 000	39 687 000	
Infrastructure	Sportsfield	5 086 610	1 358 436	1 358 436	1 358 436	3 393 565			
Infrastructure	Housing	23 277 170	23 277 170	0	0				
Infrastructure	Bridges	1 196 995	650 000	650 000	650 000	718 151			
Infrastructure	Taxi Rank		2 532 100	2 532 100	2 532 100	215 000			
Infrastructure									
Good Governance	Council Chamber	3 300 000	500 000	500 000	500 000				
Good Governance	Furniture and Equipment		740 000	740 000	740 000				
Good Governance									
Good Governance									
Good Governance									
Environmental Management									
Economic Development	LED projects		5 500 000	5 500 000	5 500 000				
Social Development	Culture & Sport	400 000							
Social Development									
Safety & Security									
Safety & Security									
Safety & Security									
Safety & Security									
TOTAL CAPITAL EXPENDITURE		55 958 168	78 002 521	54 725 351	54 725 351	42 153 226	32 998 000	39 687 000	

Column Definitions:

- A. The audited actual for 2006/07 as per the audited financial statements. If audit figures are not available for 2006/07, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2008/09 budget year.
- C. The budget for 2008/09 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2008/09 budget year at the point in time of preparing the budget for the 2009/10 budget year. This may differ from C.
- E. The amount to be appropriated for the 2009/10 budget year.
- F. The indicative projection for 2010/11
- G. The indicative projection for 2011/12

Notes:

1. The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their own IDP.
2. Totals agree to totals of Capital Expenditure by Vote (see Annexure 3, Table 3 - Capital Expenditure by Vote on page 26)
3. Zeros are used where no amounts are applicable

SUPPORTING TABLE 4  INVESTMENT PARTICULARS BY TYPE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<b>Investment Type</b>							
Securities - National Government							
Listed Corporate Bonds							
Deposits - Banks							
Deposits - Public Investment Commissioners							
Deposits - Corporation for Public Deposits							
Bankers Acceptance Certificates							
Negotiable Certificate of Deposit - Banks							
Guaranteed Endowment Policies (sinking funds)							
Repurchase Agreements - Banks							
Municipal Bonds							
<b>TOTAL INVESTMENTS</b>							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. The investment types listed are set out as per the municipal investment regulations posted on the NT web site ([www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma))
2. List additional types if the list above is incomplete. **Do not use "Other"**
3. Zeros are used where no amounts are applicable

SUPPORTING TABLE 4a INVESTMENT PARTICULARS BY MATURITY	Period of Investment	Type of Investment	Expiry date of Investment	Monetary Value R'000	Interest to be Realised R'000
<u>Name of Institution / Investment ID</u>					

Notes:  
List each investment by name of institution and investment identification number unique to that investment

SUPPORTING TABLE 5	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
					Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS <sup>1</sup>	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>National Grant Allocations<sup>2</sup></u>							
1.	x	x	x	x	x	x	x
2.	x	x	x	x	x	x	x
3. Etc	x	x	x	x	x	x	x
Sub Total - National Grant Allocations	x	x	x	x	x	x	x
<u>Provincial Grant Allocations<sup>2</sup></u>							
1.	x	x	x	x	x	x	x
2.	x	x	x	x	x	x	x
3. Etc	x	x	x	x	x	x	x
Sub Total - Provincial Grant Allocations	x	x	x	x	x	x	x
<u>Municipal Grant Allocations<sup>3</sup></u>							
	x	x	x	x	x	x	x
Sub Total - Municipal Grant Allocations	x	x	x	x	x	x	x
<b>TOTAL GRANT ALLOCATIONS</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>

Column Definitions:

A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.

B. The original budget approved by council for the 2005/06 budget year.

C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.

D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.

E. The amount to be appropriated for the 2006/07 budget year.

F. The indicative projection for 2007/08

G. The indicative projection for 2008/09

Notes:

1. Refers to allocations by transferring departments and municipalities.

2. Each grant is listed by grant code as shown in the Division of Revenue Act 2006 and also shows the name of grant and name of transferring department or municipality.

3. Show the name and demarcation code of the municipality making the transfer as well as the grant description.

4. Zeros are used where no amounts are applicable

SUPPORTING TABLE 6  NEW BORROWING	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<b>NEW BORROWING</b>							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

Use separate line for each new borrowing

SUPPORTING TABLE 7 GRANT ALLOCATIONS	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Allocations to Other Municipalities<sup>1</sup></u> 1. 2. 3. etc							
<b>TOTAL ALLOCATIONS TO MUNICIPALITIES</b>							
<u>Allocations to Entities &amp; Other External Mechanisms<sup>2</sup></u> 1. 2. 3. etc							
<b>TOTAL ALLOCATIONS TO ENTITIES ETC</b>							
<u>Allocations to Other Organs of State<sup>3</sup></u> 1. 2. 3. etc							
<b>TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE</b>							
<u>Allocations to Other Organisations<sup>4</sup></u> 1. 2. 3. etc							
<b>TOTAL ALLOCATIONS TO OTHER ORGANISATIONS</b>							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.  
B. The original budget approved by council for the 2005/06 budget year.  
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.  
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.  
E. The amount to be appropriated for the 2006/07 budget year.  
F. The indicative projection for 2007/08  
G. The indicative projection for 2008/09

Notes:

1. Listed by municipal name and demarcation code of the recipient municipality  
2. List by name of entity etc  
3. List by name of organ of state  
4. List by name of other organisation

<b>SUPPORTING TABLE 8</b>	<b>Salary</b>	<b>Social</b>	<b>Allowances</b>	<b>Performance</b>	<b>Total</b>
<b>DISCLOSURE OF SALARIES, ALLOWANCES &amp; BENEFITS</b>	<b>Rand ('000) pa</b>	<b>Contributions<sup>4</sup></b>	<b>Rand ('000) pa</b>	<b>Bonuses</b>	<b>Package</b>
<b>Councillors</b>	<b>Rand ('000) pa</b>	<b>Rand ('000) pa</b>	<b>Rand ('000) pa</b>	<b>Rand ('000) pa</b>	<b>Rand ('000) pa</b>
Mayor	312 260		290 313		602 573
Deputy Mayor	318 668		267 885		586 553
Speaker	318 668		267 885		586 553
Chief Whip	318 668		267 885		586 553
Exco full time	147 497		153 772		301 269
Exco full time	147 497		153 772		301 269
Exco Part time	92 845		107 317		200 162
Exco Part time	92 845		109 317		202 162
Exco Part time	92 845		107 317		200 162
Other Councillors	1 955 928		2 530 292		4 486 220
<b>Officials of the Municipality</b>					
Municipal Manager (MM)	830 964		18000	105 759	954 723
Chief Finance Officer	613 949		12000	85 953	711 902
<b>List each senior manager reporting to MM by designation</b>					
Director: Coporate	607 870		12000	85 102	704 972
Director: Infrastructure	613 949		12000	85 953	711 902
Director: Community Services	607 870		12000	85 102	704 972
Diretor: Planning and Housing	607 870		12000	85 102	704 972
<b>TOTAL COST OF REMUNERATION TO MUNICIPALITY</b>	<b>7 680 193</b>		<b>4 333 755</b>	<b>532 971.00</b>	<b>12 546 919</b>



SUPPORTING TABLE 8a  SUMMARY OF TOTAL SALARIES, WAGES, ALLOWANCES etc	Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Councillors (Political Office Bearers plus Other)</u>							
Basic Salaries	3 368 461	3 463 414	3 567 316	3 567 316	3 797 721.00	4 253 447.52	4 763 861.22
Pension Contributions	918 671	1 019 372	1 049 953	1 049 953	1 207 721.00	1 352 647.52	1 514 965.22
Medical Aid Contributions	306 224	329 769	339 662	339 662	622 080.00	696 729.60	780 337.15
Allowances	1 838 919	1 847 405	1 902 828	1 902 828	2 423 953.00	2 714 827.36	3 040 606.64
<b>Sub Total - Councillors</b>	<b>6 432 275</b>	<b>6 659 960</b>	<b>6 859 759</b>	<b>6 859 759</b>	<b>8 051 475</b>	<b>9 017 652</b>	<b>10 099 770</b>
<u>Senior Managers of the Municipality (s 57 of Systems Act)</u>							
Basic Salaries	2 757 655	4 056 264	4 056 264	4 056 264	3 882 472.00	4 348 368.64	4 870 172.88
Pension Contributions					-	-	-
Medical Aid Contributions					-	-	-
Allowances					78 000.00	87 360.00	97 843.20
Performance Bonus	385 000	523 800	523 800	523 800	532 971.00	596 927.52	668 558.82
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 142 655</b>	<b>4 580 064</b>	<b>4 580 064</b>	<b>4 580 064</b>	<b>4 493 443</b>	<b>5 032 656</b>	<b>5 636 575</b>
<u>Other Municipal Staff</u>							
Other Managers- sec 56	0	1 863 865			2 805 000.00	3 141 600.00	3 518 592.00
Basic Salaries	10 339 160	7 236 454	11 620 928	11 620 928	11 379 140.00	12 744 636.80	14 273 993.22
Pension Contributions	1 426 816	1 229 711	1 334 878	1 334 878	1 551 553	1 737 739.36	1 946 268.08
Medical Aid Contributions	867 340	1 221 253	1 254 159	1 254 159	2 572 560	2 881 267.20	3 227 019.26
Allowances	1 470 399	1 246 889			3 047 655.00	3 413 373.60	3 822 978.43
Overtime	239 346	-	100 000	100 000	110 000.00	123 200.00	131 824.00
<b>Sub Total - Other Municipal Staff</b>	<b>14 343 061</b>	<b>12 798 172</b>	<b>14 309 965</b>	<b>14 309 965</b>	<b>18 660 908.00</b>	<b>20 900 216.96</b>	<b>23 402 083.00</b>
<b>TOTAL EMPLOYEE COSTS</b>	<b>23 917 991</b>	<b>24 038 196</b>	<b>25 749 788</b>	<b>25 749 788</b>	<b>31 205 826.00</b>	<b>34 950 525.12</b>	<b>39 138 428.13</b>

SUPPORTING TABLE 8b  SUMMARY OF PERSONNEL NUMBERS (Full Time Equivalent)	Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
	Audited Actual No. A	Approved Budget No. B	Adjusted Budget No. C	Full Year Forecast No. D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
					Budget No. E	Budget No. F	Budget No. G
Municipality							
Councillors (Political Office Bearers plus Other)	36	36	36	36	36	36	36
Senior Managers including Municipal Manager (s 57 of Systems Act)	6	6	6	6	6	6	6
Other Managers							
Technical / Professional Staff	5	3	3	3	4	7	7
Other Staff (clerical, labourers etc)	94	95	95	95	94	97	97
Sub Total - Municipality	141	140	140	141	140	146	146
<b>TOTAL PERSONNEL NUMBERS</b>							

SUPPORTING TABLE 9	Budget July	Budget August	Budget September	Budget October	Budget November	Budget December	Budget January	Budget February	Budget March	Budget April	Budget May	Budget June	Budget Full Year 2009/2010	Budget Full Year 2010/2011	Budget Full Year 2011/2012
MONTHLY CASH FLOWS	R'000	2 009	R'000	2 009	R'000	2 009	R'000	2 010	R'000	2 010	R'000	2 010	R'000	2 010	R'000
<b>Cash Operating Receipts by Source</b>															
Assessments Rates and Refuse	1 116 641	1 266 411	1 566 411	1 000 001	1 510 001	1 030 100	1 231 073	1 017 000	1 200 000	891 362	819 311	351 689	13 000 000	14 560 000	16 307 200
Building Plans	8 334	8 979	4 234	9 960	13 433	12 365	11 001	8 880	7 895	8 000	8 979	7 940	110 000	123 200	137 984
Cemetery fees	1 808	1 026	1 605	1 240	1 664	1 803	1 809	1 404	1 599	1 236	2 139	2 027	19 360	21 683	24 285
Advertising Income	2 356	5 259	5 597	5 698	5 698	3 235	3 235	4 701	5 546	2 654	3 698	5 589	53 266	59 658	66 817
Dumping Fees	52 667	42 359	98 269	45 698	76 526	65 065	98 492	81 120	45 689	54 689	47 789	47 789	756 052	846 778	948 392
Land lease	25 015	25 108	25 475	25 368	25 368	25 789	25 589	25 634	25 006	25 102	25 145	21 301	300 190	336 213	376 558
Lease of Municipal Property	12 916	12 357	13 046	12 916	12 457	12 987	12 457	12 458	14 598	12 946	12 946	12 916	155 000	173 600	194 432
Interest earned - Investments	255 669	243 229	255 333	154 666	153 669	250 555	250 961	238 915	205 224	245 269	345 689	549 261	3 148 440	3 526 253	3 949 403
Interest earned - outstanding debtors	43 569	31 889	40 556	41 598	51 123	40 139	50 112	50 123	35 269	35 102	40 236	55 022	514 738	576 507	645 687
SARS refund	833 333	789 563	903 555	706 489	801 399	870 589	889 268	770 562	654 789	456 987	1 199 658	1 123 808	10 000 000	11 200 000	12 544 000
Traffic Fines & Licence	4 583	5 469	4 559	5 469	4 559	3 598	5 489	5 469	4 658	3 698	4 589	2 863	55 000	61 600	68 992
Vehicle Registration & Licensing	9 166	10 000	9 166	9 569	8 978	8 611	7 816	7 126	9 159	9 123	10 681	10 605	110 000	123 200	137 984
Hall fees	2 109	2 489	2 756	2 987	2 109	1 526	1 301	1 410	2 569	1 748	2 836	1 475	25 315	28 353	31 755
Grants - Province)	2 049 406	2 043 725	1 851 117	1 235 827	1 251 027	1 561 106	1 561 117	1 235 826	1 328 078	1 561 117	1 456 496	1 456 496	18 591 342	20 822 303	23 320 979
Grants - National	8 124 811	6 500 950	5 236 950	5 412 698	3 245 698	4 321 565	4 208 950	8 870 820	8 404 556	8 123 730	8 111 730	8 001 420	78 572 878	88 001 623	98 561 818
Other Income	137 500	155 700	155 999	155 700	121 458	137 500	147 569	114 599	101 589	137 895	148 226	136 265	1 650 000	1 848 000	2 069 760
<b>Cash Operating Receipts by Source</b>	<b>12 679 885</b>	<b>11 144 513</b>	<b>10 174 628</b>	<b>8 825 884</b>	<b>7 287 454</b>	<b>8 346 533</b>	<b>8 506 239</b>	<b>12 455 049</b>	<b>12 046 224</b>	<b>11 570 658</b>	<b>12 238 048</b>	<b>11 786 466</b>	<b>127 061 581</b>	<b>142 308 971</b>	<b>159 386 047</b>
<b>Other Cash Receipts by Source</b>															
New Loans Raised	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Receipts from old outstanding debtors	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Etc (list each source)															
<b>Total Cash Receipts by Source</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Cash Operating Payments by Type</b>															
Employee related costs	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	1 929 529	23 154 352	25 932 874	29 044 819
Remuneration of Councillors	670 956	670 956	670 956	670 956	670 956	670 956	670 956	670 956	670 956	670 956	670 956	670 956	8 051 474	9 017 651	10 099 769
Repairs and maintenance	886 533	786 533	891 361	886 533	776 533	996 533	886 533	778 533	886 533	988 533	885 666	988 576	10 638 400	11 915 006	13 344 809
Interest paid	x	x	x	x	x	x	x	x	x	x	x	x	-	-	-
General Expenses	2 549 243	2 174 192	1 174 192	3 174 192	3 174 192	3 174 198	2 174 198	5 175 189	3 069 277	3 157 899	5 457 899	3 635 634	38 090 305	42 661 142	47 780 479
Contracted services	x	x	x	x	x	x	x	x	x	x	-	x	-	-	-
Grants and subsidies paid - other municipalities	x	x	x	x	x	x	x	x	x	x	x	x	-	-	-
Grants and subsidies paid - other	x	x	x	x	x	x	x	x	x	x	x	x	-	-	-
Contribution to Capital Outlay	328 333	1 088 333	128 444	369 888	125 999	328 455	328 111	456 222	321 444	123 555	853 094	328 122	4 780 000	5 353 600	5 996 032
<b>Cash Operating Payments by Type</b>	<b>6 364 594</b>	<b>6 649 543</b>	<b>4 794 482</b>	<b>7 031 098</b>	<b>6 677 209</b>	<b>7 099 671</b>	<b>5 989 327</b>	<b>9 010 429</b>	<b>6 877 739</b>	<b>6 870 472</b>	<b>9 797 144</b>	<b>7 552 823</b>	<b>84 714 531</b>	<b>94 880 275</b>	<b>106 265 908</b>
<b>Other Cash Payments by Type</b>															
Capital Expenditure	4 192 882	5 192 883	5 119 225	4 195 336	4 222 598	4 192 338	3 519 663	5 235 689	5 096 664	2 195 699	4 125 963	3 025 641	50 314 581	53 836 602	57 605 164
Loans repaid	x	x	x	x	x	.	x	x	x	x	x	x	x	x	x
Etc (list each source)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
<b>Total Cash Payments by Type</b>	<b>4 192 882</b>	<b>5 192 883</b>	<b>5 119 225</b>	<b>4 195 336</b>	<b>4 222 598</b>	<b>4 192 338</b>	<b>3 519 663</b>	<b>5 235 689</b>	<b>5 096 664</b>	<b>2 195 699</b>	<b>4 125 963</b>	<b>3 025 641</b>	<b>50 314 581</b>	<b>53 836 602</b>	<b>57 605 164</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; INVE</b>	<b>2 122 409</b>	<b>-697 913</b>	<b>260 921</b>	<b>-2 400 550</b>	<b>-3 612 353</b>	<b>-2 945 476</b>	<b>-1 002 751</b>	<b>-1 791 069</b>	<b>71 821</b>	<b>2 504 487</b>	<b>-1 685 059</b>	<b>1 208 002</b>	<b>-7 967 531</b>	<b>-6 407 906</b>	<b>-4 485 024</b>

SUPPORTING TABLE 10		Annual Target
ANNUAL MEASURABLE PERFORMANCE OBJECTIVES	Unit of Measurement	2006/07
Department - Municipal Managers Office		
Vote: Executive and Council		
Budget consultation meetings held	No. of meetings	12
Produce municipal booklet	Booklet produced in Sept	1
Performance agreements and contracts signed	No. of contracts signed on time	6
General ward meetings per ward	No. of meetings	4
etc		
Department - Corporate Services		
Vote: Finance & Administration		
Employee reward system developed	Completed in November	1
Job descriptions developed for all staff	Completed in September	1
etc		
Department - Planning and Development		
Vote: Planning & Development		
City plan reviewed and published	Completed in October	1
Building inspections conducted	No. of building inspections	500
etc		
Department - Community Services		
Vote: Community & Social Services		
New libraries built	No. of new libraries built	1
etc		
Department - Technical Services		
Vote: Electricity		
New Electricity connections	No. of new electricity connections	4000
Percentage of HH that meet agreed service levels	HH achieving agreed levels / total	95%
Percentage of HH that meet agreed service standards	HH achieving agreed stds / total	100%
Percentage of electricity losses	KW billed / KW used by muni	15
Employment through job creation schemes	No. temporary jobs created	200
Employment through job creation schemes	No. permanent jobs created	50
Vote: Water		
New Water connections	No. of new water connections	2000
Percentage of water losses	KL Billed / KL used by muni	20
Percentage of HH that meet agreed service levels	HH achieving agreed levels / total	95%
Percentage of HH that meet agreed service standards	HH achieving agreed stds / total	100%
Vote: Road Transport		
km of new road for prev unserviced areas	No. of kilometres	400
etc		
Vote: Waster Management		
Percentage of HH with no rubbish disposal	No. of HH without / total HH	15%
Vote: Waste Water management		
Percentage of HH with no toilet provision	No. of HH without / total HH	12%
Department - Chief Finance Officer		
Vote: Finance & Administration		
Percentage of property valuations disputed	No. disputed / total No.	10%
Percentage of creditors payments on time	No. Paid on Time / total No.	100%
etc		

Notes:

1. The format of Department / Vote is an example only. Municipalities may show GFS / Department.
2. The departments are examples only and municipalities should use their own departments or votes

TABLE 11  CAPITAL EXPENDITURE BY CATEGORY	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<b>INFRASTRUCTURE</b>	x	x	x	x	x	x	x
Land and Buildings	x	x	x	x	x	x	x
Roads, pavements, bridges and stormwater	x	x	x	x	x	x	x
Water Reservoirs and reticulation	x	x	x	x	x	x	x
Car parks, bus terminals and taxi ranks	x	x	x	x	x	x	x
Electricity reticulation	x	x	x	x	x	x	x
Sewerage purification and reticulation	x	x	x	x	x	x	x
Housing	x	x	x	x	x	x	x
Street lighting	x	x	x	x	x	x	x
Refuse sights	x	x	x	x	x	x	x
Gas	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
<b>COMMUNITY</b>	x	x	x	x	x	x	x
Establishment of parks & gardens	x	x	x	x	x	x	x
Sportsfields	x	x	x	x	x	x	x
Community halls	x	x	x	x	x	x	x
Libraries	x	x	x	x	x	x	x
Recreation facilities	x	x	x	x	x	x	x
Clinics	x	x	x	x	x	x	x
Museums & art galleries	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
<b>HERITAGE ASSETS</b>	x	x	x	x	x	x	x
<b>INVESTMENT PROPERTIES</b>	x	x	x	x	x	x	x
<b>OTHER ASSETS</b>	x	x	x	x	x	x	x
Other motor vehicles	x	x	x	x	x	x	x
Plant & equipment	x	x	x	x	x	x	x
Office equipment	x	x	x	x	x	x	x
Abattoirs	x	x	x	x	x	x	x
Markets	x	x	x	x	x	x	x
Airports	x	x	x	x	x	x	x
Security measures	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
<b>SPECIALISED VEHICLES</b>	x	x	x	x	x	x	x
Refuse	x	x	x	x	x	x	x
Fire	x	x	x	x	x	x	x
Conservancy	x	x	x	x	x	x	x
Ambulances	x	x	x	x	x	x	x
Buses	x	x	x	x	x	x	x
<b>TOTAL CAPITAL EXPENDITURE<sup>1</sup></b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. Total Capital Expenditure agrees to Total Funding. See Annexure 3 table 3 on page 26 and table 4 on page 29.
2. The categories listed are consistent with the latest accounting standards
3. Zeros are used where no amounts are applicable

EXAMPLE TABLE 1  REVENUE BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Revenue by Source</u>							
Property rates	2 375 137	2 900 000	2 686 000	2 686 136	2 877 527	3 051 347	3 214 839
Property rates - penalties imposed and collection charges	222 242	260 000	255 000	255 007	162 030	150 507	154 267
Service charges - electricity revenue from tariff billings	2 757 471	3 100 000	2 956 000	2 956 503	3 092 832	3 296 959	3 514 558
Service charges - water revenue from tariff billings	1 028 625	1 180 000	1 168 000	1 168 625	1 231 198	1 317 501	1 416 668
Service charges - sanitation revenue from tariff billings	54 504	70 000	63 000	62 860	58 784	61 723	64 810
Service charges - refuse removal from tariff billings	79 854	100 000	90 000	89 533	93 067	97 720	102 606
Service charges - other	27 275	24 000	26 000	25 948	25 694	27 236	28 870
Regional Service Levies	130 189	160 000	170 000	170 472	0	0	0
Rental of facilities and equipment	70 337	95 000	97 000	97 157	103 074	109 430	115 428
Interest earned - external investments	494 128	180 000	186 000	185 594	102 122	68 954	68 646
Interest earned - outstanding debtors	34 554	6 500	7 000	7 276	20 000	21 000	22 050
Fines	76 084	120 000	113 000	113 403	162 575	170 709	174 399
Licenses and permits	5 127	8 800	8 700	8 663	8 231	8 643	9 075
Government grants & subsidies	623 668	1 760 000	1 657 000	1 663 771	2 129 946	2 259 866	2 631 441
<b>Total Revenue By Source</b>	<b>7 979 195</b>	<b>9 964 300</b>	<b>9 482 700</b>	<b>9 490 948</b>	<b>10 067 080</b>	<b>10 641 595</b>	<b>11 517 657</b>

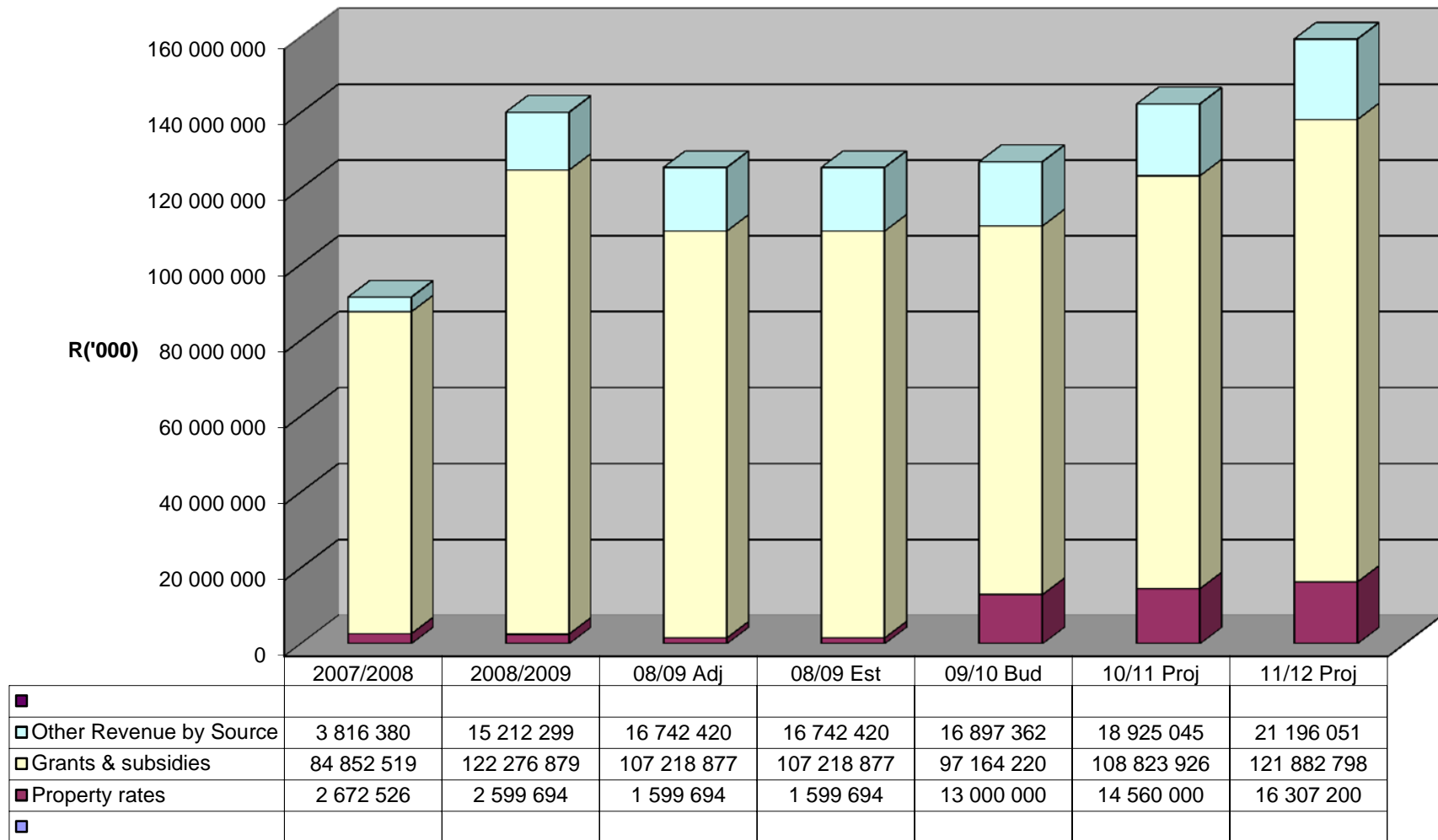
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

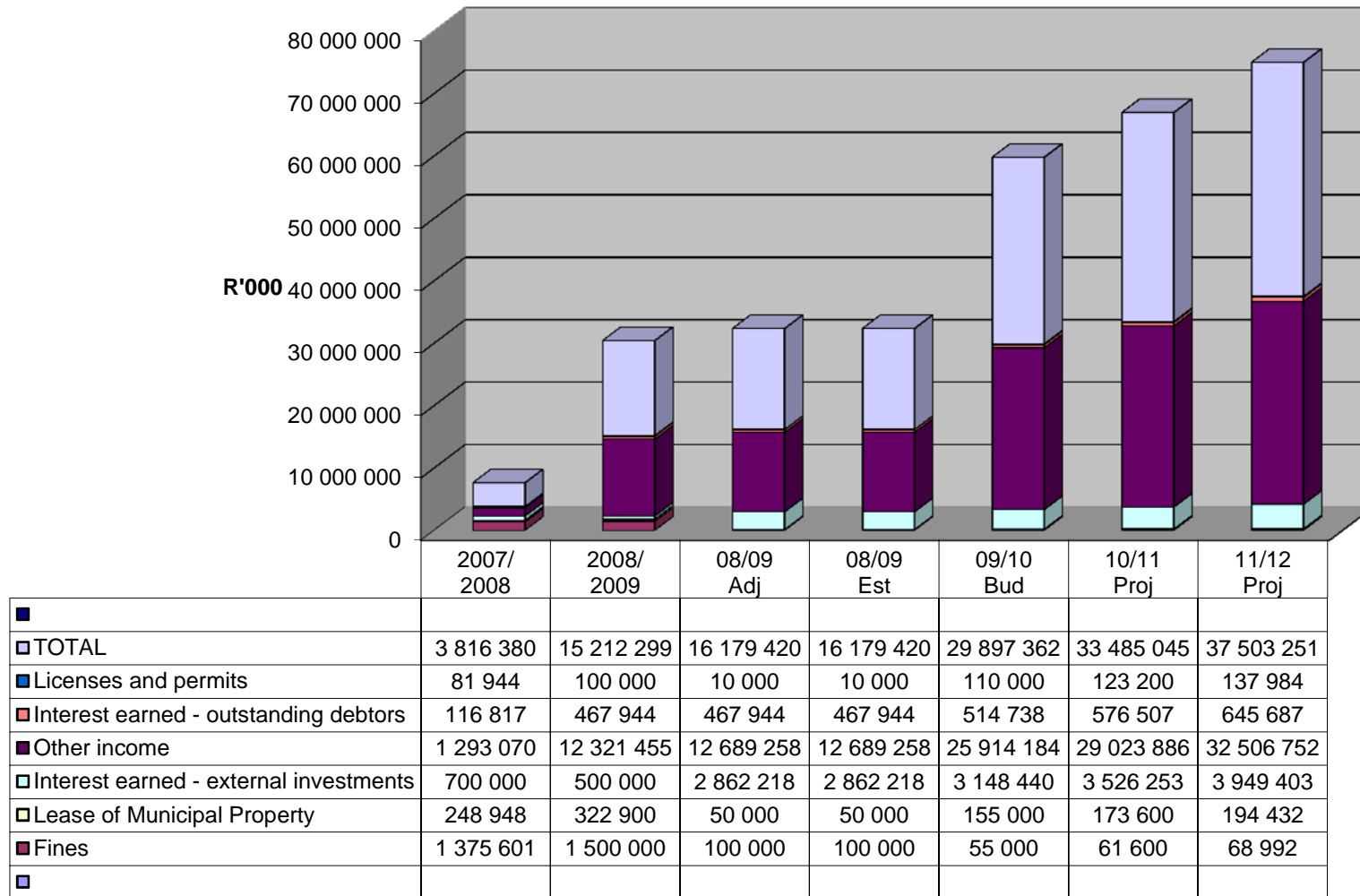
Notes:

- This table and the associated charts are examples only.
- The sources listed here have been adapted from the specimen statement of financial performance.
- Note that there is **no** classification for "**other**" in this example. Sources not applicable have been deleted. Municipalities should ensure that all sources are displayed separately except where other is used as per note 5 below.
- If other is used, each individual source must be less than or equal to 2.5% of total revenue by source to ensure greatest possible information content for users.
- Note that in this example Regional Service levies have ceased for 2006/07 onwards and grants and subsidies have been increased appropriately.
- Refer Charts ('Rev by Major Source' and 'Rev by Minor Source' - pages 21 & 22). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
- Note that totals agree to totals on Annexure 4, Table 1 reconciling the IDP and Budget for Revenue (page 35)
- The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Revenue by Major Source



### Revenue By Source





EXAMPLE TABLE 2  OPERATING EXPENDITURE BY VOTE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Finance & Admin	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Planning & Development	15 172	17 551	17 536	17 528	17 983	18 812	19 962
Health	525 286	607 651	607 130	606 856	622 608	651 310	691 127
Community & Social Services	826 298	955 861	955 042	954 612	979 390	1 024 539	1 087 173
Housing	352 596	407 883	407 533	407 350	417 923	437 189	463 916
Public Safety	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Waste Water Management	156 776	181 359	181 203	181 122	185 823	194 389	206 273
Road Transport	116 318	134 556	134 441	134 380	137 868	144 224	153 041
Water	1 000 000	1 156 800	1 155 809	1 155 288	1 185 274	1 239 915	1 315 716
Electricity	2 118 181	2 450 312	2 448 212	2 447 108	2 510 626	2 626 364	2 786 924
<b>OPERATING EXPENDITURE BY VOTE</b>	<b>7 210 627</b>	<b>8 341 252</b>	<b>8 334 105</b>	<b>8 330 348</b>	<b>8 546 571</b>	<b>8 940 562</b>	<b>9 487 134</b>

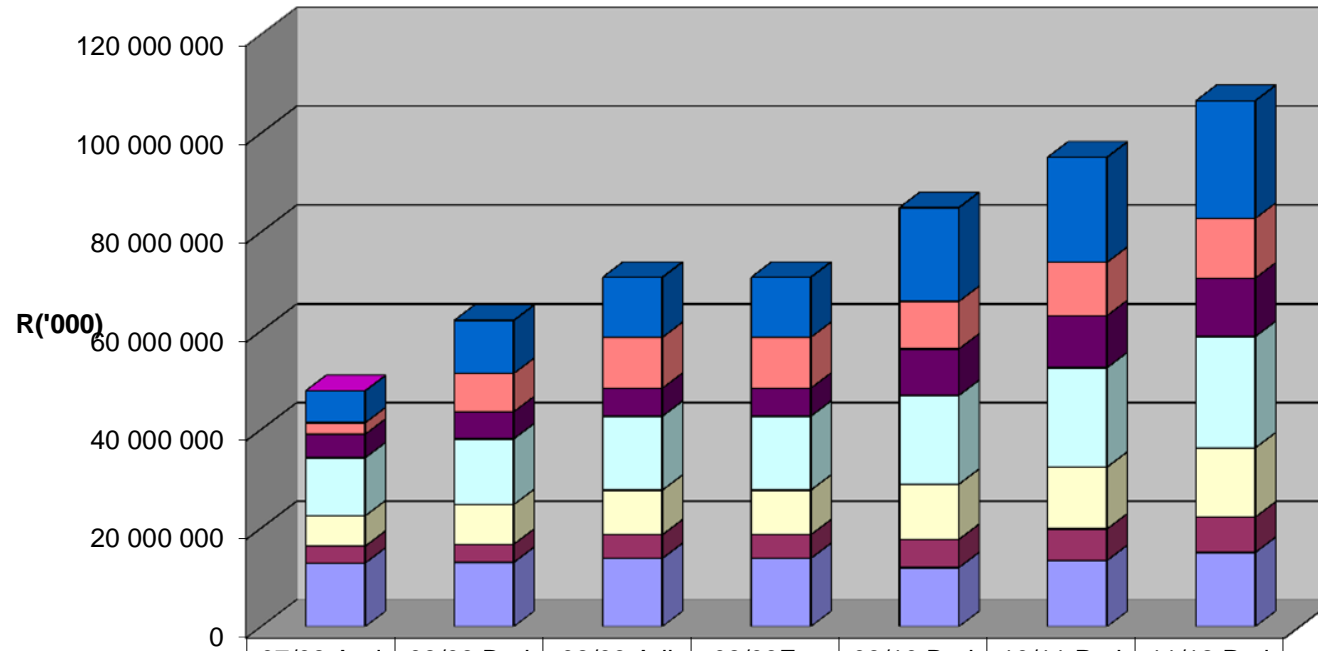
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. This table and the associated charts are examples only.
2. The votes listed here are the GFS functions (i.e. in this example the municipality has elected to show the GFS functions as its votes and is therefore not required to complete and approve schedule 2(a).
3. All budgeted amounts must be classified under a particular vote. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
4. Refer Charts (Opex by Major vote and Opex by Minor Vote - pages 24 & 25). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
5. Note that totals agree to totals on Annexure 4, Table 2 reconciling the IDP and Budget for Operating Expenditure (page 36)
6. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

**Operating Expenditure by Vote**



	07/08 Aud	08/09 Bud	08/09 Adj	08/09Est	09/10 Bud	10/11 Proj	11/12 Proj
#REF!	1						
#REF!	1						
#REF!	1						
Infrastructure	6 465 662	10 730 614	12 142 396	12 142 396	18 951 816	21 226 034	23 773 158
Planning Housing	2 313 367	7 763 515	10 302 425	10 302 425	9 625 391	10 780 438	12 074 090
Community and Services	4 797 106	5 502 557	5 694 437	5 694 437	9 430 188	10 561 811	11 829 228
Budget and Treasury Services	11 763 858	13 335 791	14 987 646	14 987 646	18 002 204	20 162 468	22 581 965
Corporate Services	6 139 318	8 036 053	9 045 553	9 045 553	11 183 294	12 525 289	14 028 324
Municipal Manager	3 435 828	3 691 861	4 806 328	4 806 328	5 722 337	6 409 017	7 178 100
Council	12 905 387	13 025 598	13 829 953	13 829 953	11 993 076	13 432 245	15 044 115

EXAMPLE TABLE 3  CAPITAL EXPENDITURE BY VOTE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council	500	700	550	550	750	850	900
Finance & Admin	2 000	2 800	2 200	2 200	3 000	3 400	3 600
Planning & Development	800	1 120	880	880	1 200	1 360	1 440
Health	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Community & Social Services	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Housing	50 000	70 000	55 000	55 000	75 000	85 000	90 000
Public Safety	50 000	70 000	55 000	55 000	75 000	85 000	90 000
Sport and Recreation	200 000	270 000	255 000	255 000	275 000	285 000	290 000
Environmental Protection	300	420	330	330	450	510	540
Waste Management	80 000	112 000	88 000	88 000	120 000	136 000	144 000
Waste Water Management	150 000	220 000	130 000	130 000	250 000	310 000	340 000
Road Transport	110 000	154 000	121 000	121 000	165 000	187 000	198 000
Water	100 000	140 000	110 000	110 000	150 000	170 000	180 000
Electricity	196 400	274 960	216 040	216 040	294 600	333 880	353 520
<b>CAPITAL EXPENDITURE BY VOTE</b>	<b>1 000 000</b>	<b>1 400 000</b>	<b>1 100 000</b>	<b>1 100 000</b>	<b>1 500 000</b>	<b>1 700 000</b>	<b>1 800 000</b>

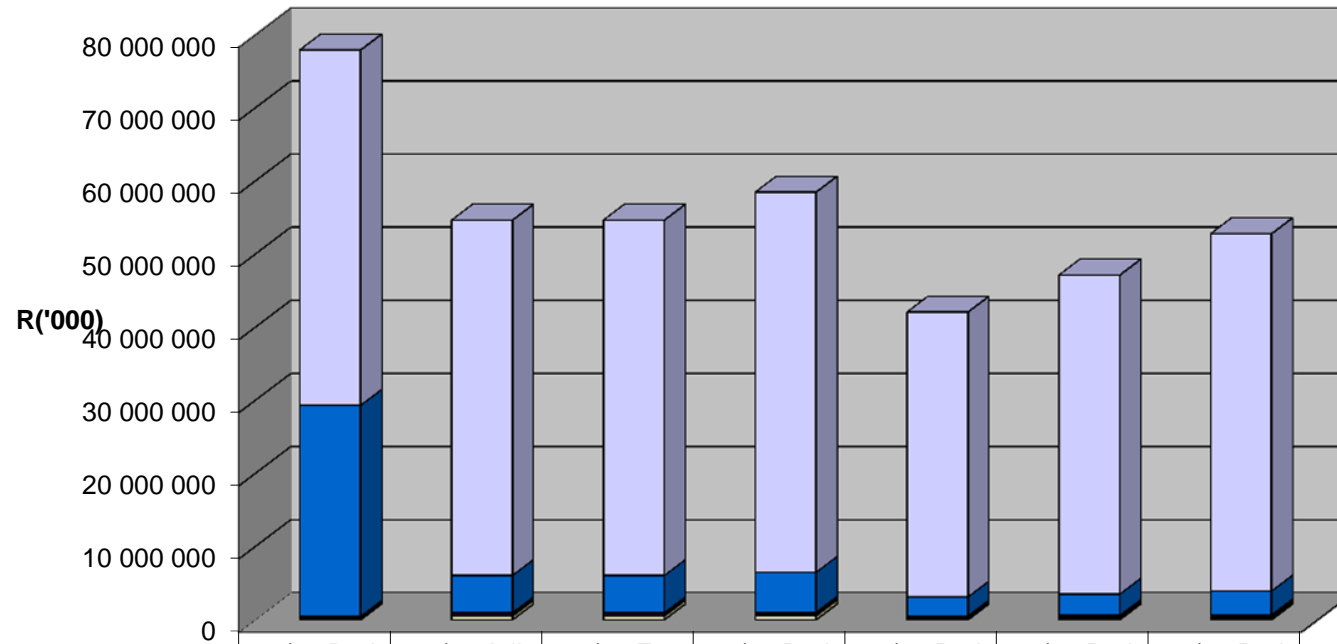
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. This table and the associated charts are examples only.
2. The votes listed here are the GFS functions (i.e. in this example the municipality has elected to show the GFS functions as its votes and is therefore not required to complete and approve schedule 3(a).
3. All budgeted amounts must be classified under a particular vote. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
4. Refer Charts (Capex by Major Vote and Capex by Minor Vote - pages 27 & 28). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
5. Note that totals agree to totals on Annexure 4, Table 3 reconciling the IDP and Budget for Capital Expenditure (page 37)
6. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

### Capital Expenditure by Vote



	08/09 Bud	08/09 Adj	08/09 Est	08/09 Bud	09/10 Proj	10/11 Proj	11/12 Proj
■							
□ Infrastructure	48 585 715	48 585 715	48 585 715	51 986 715	38 947 696	43 621 420	48 855 990
■ Housing	28 877 170	5 100 000	5 100 000	5 457 000	2 605 580	2 918 250	3 268 440
■ Community & Social Services	140 000	140 000	140 000	149 800	120 000	134 400	150 528
■ Budget & Treasury Office	100 000	250 000	250 000	267 500	120 000	134 400	150 528
□ Coporate Services	100 000	100 000	100 000	107 000	120 000	134 400	150 528
□ Municipal Manager	100 000	450 000	450 000	481 500	120 000	134 400	150 528
■ Council	100 000	100 000	100 000	107 000	120 000	134 400	150 528
■							

EXAMPLE TABLE 4  CAPITAL FUNDING BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<b>National Government</b>							
Amounts allocated / gazetted for that year	350000	450000	300000	300000	500000	550000	600000
Amounts carried over from previous years	50000	0	50000	50000	0	0	0
<b>Total Grants &amp; Subsidies - National Government</b>	<b>400000</b>	<b>450000</b>	<b>350000</b>	<b>350000</b>	<b>500000</b>	<b>550000</b>	<b>600000</b>
<b>Provincial Government</b>							
Amounts allocated / gazetted for that year	200000	500000	350000	350000	500000	550000	600000
Amounts carried over from previous years	50000	0	50000	50000	0	0	0
<b>Total Grants &amp; Subsidies - Provincial Government</b>	<b>250000</b>	<b>500000</b>	<b>400000</b>	<b>400000</b>	<b>500000</b>	<b>550000</b>	<b>600000</b>
<b>District Municipality</b>							
Amounts allocated for that year	0	0	0	0	0	0	0
Amounts carried over from previous years	0	0	0	0	0	0	0
<b>Total Grants &amp; Subsidies - District Municipalities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Government Grants &amp; Subsidies</b>	<b>650000</b>	<b>950000</b>	<b>750000</b>	<b>750000</b>	<b>1000000</b>	<b>1100000</b>	<b>1200000</b>
<b>Public Contributions &amp; Donations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Accumulated Surplus (Own Funds)</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>
<b>External Loans</b>	<b>300000</b>	<b>400000</b>	<b>300000</b>	<b>300000</b>	<b>450000</b>	<b>550000</b>	<b>550000</b>
<b>TOTAL FUNDING OF CAPITAL EXPENDITURE</b>	<b>1000000</b>	<b>1400000</b>	<b>1100000</b>	<b>1100000</b>	<b>1500000</b>	<b>1700000</b>	<b>1800000</b>

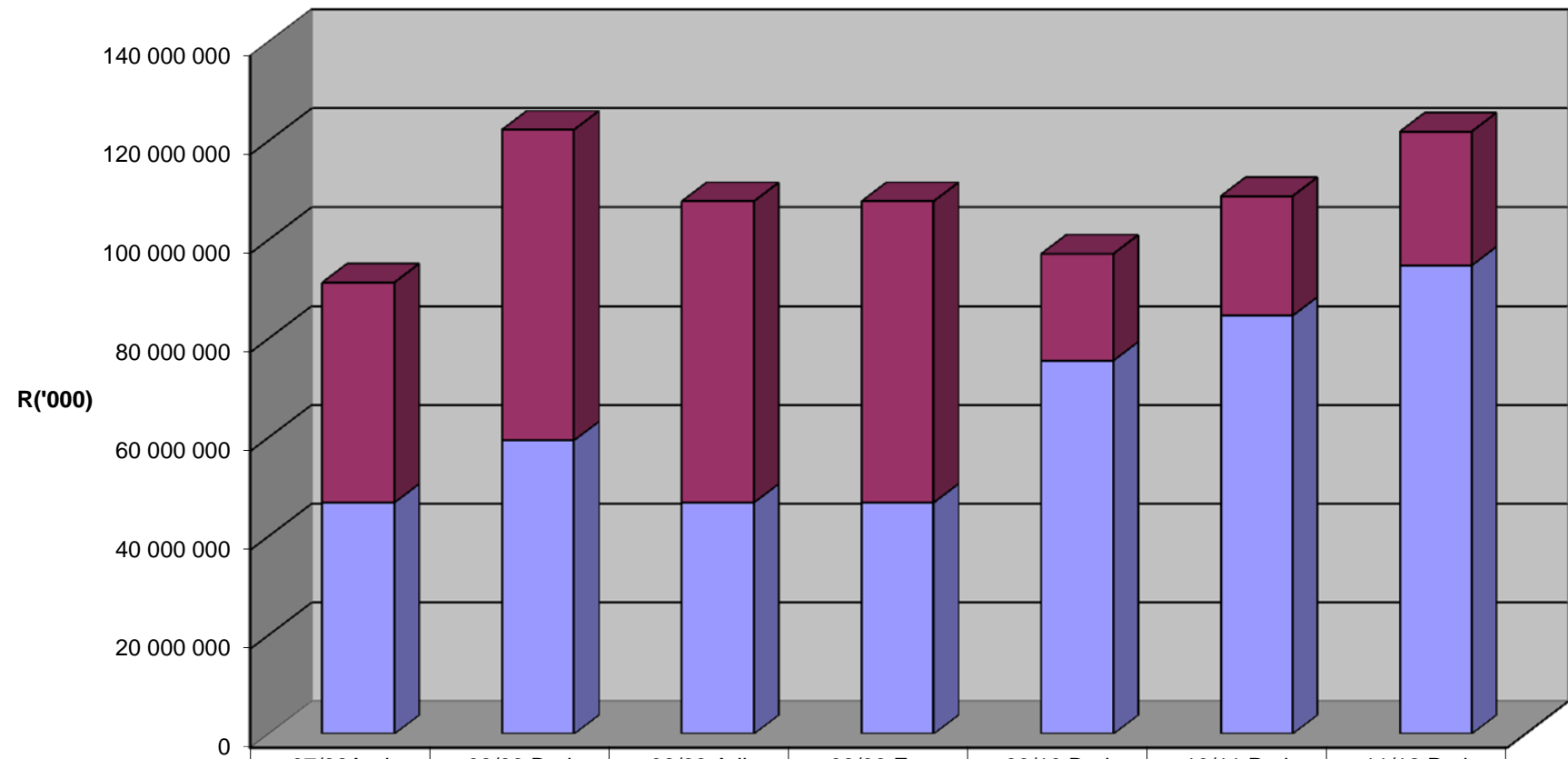
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. All municipalities must follow the format above for standardisation.
2. The figures and resulting chart on page 30 are examples only.
3. Note the use of zeros where no amounts applicable.
4. Total Capital Expenditure agrees to Total Funding (see page 26)
5. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

**Capital Funding by Source**



	07/08Aud	08/09 Bud	08/09 Adj	08/09 Est	09/10 Bud	10/11 Proj	11/12 Proj
□							
□							
■ Grants - Provincial Government	44 525 519	62 834 879	60 954 877	60 954 877	21 591 342	24 182 303	27 084 179
■ Grants - National Government	46 827 000	59 442 000	46 827 000	46 827 000	75 572 878	84 641 623	94 798 618

EXAMPLE TABLE 6  OPERATING EXPENDITURE BY TYPE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
					Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Operating Expenditure by Type</u>							
Employee related costs	2 454 260	2 650 000	2 650 000	2 647 318	2 890 832	3 052 505	3 236 757
Remuneration of Councillors	32 478	35 100	35 100	35 052	39 272	41 628	44 126
Bad debts	442 952	250 000	270 000	271 629	139 584	153 554	180 664
Collection costs	15 119	15 000	15 000	15 112	22 229	23 799	25 493
Depreciation	783 375	1 025 000	1 025 000	1 028 111	840 223	886 858	935 327
Repairs and maintenance	787 630	990 000	970 000	967 591	1 022 251	1 075 440	1 141 178
Interest paid	503 287	465 000	462 000	461 763	533 049	488 927	482 833
Bulk purchases - Electricity	1 530 197	1 610 000	1 605 000	1 604 333	1 694 863	1 796 893	1 905 066
Bulk purchases - Water	690 844	745 000	745 000	745 502	727 179	770 809	824 766
Contracted services	229 225	196 000	196 000	195 508	231 020	243 864	258 301
Grants and subsidies paid	0	75 000	75 000	74 815	86 949	91 247	95 759
Advertising	60 075	127 891	127 891	127 607	133 731	138 019	148 711
Audit fees	38 509	81 981	81 981	81 799	85 725	88 473	95 327
Bank charges	41 077	87 447	87 447	87 253	91 440	94 372	101 683
Communications	91 909	195 662	195 662	195 228	204 597	211 157	227 515
Insurance	233 110	496 260	496 260	495 159	518 923	535 559	577 049
Legal fees	79 073	168 335	168 335	167 961	176 022	181 665	195 739
Seminar / Conferences	31 834	67 771	67 771	67 621	70 866	73 138	78 804
Travel and Accommodation	25 673	54 654	54 654	54 533	57 150	58 982	63 552
<b>Total Operating Expenditure By Type</b>	<b>8 070 627</b>	<b>9 336 100</b>	<b>9 328 100</b>	<b>9 323 895</b>	<b>9 565 907</b>	<b>10 006 889</b>	<b>10 618 649</b>

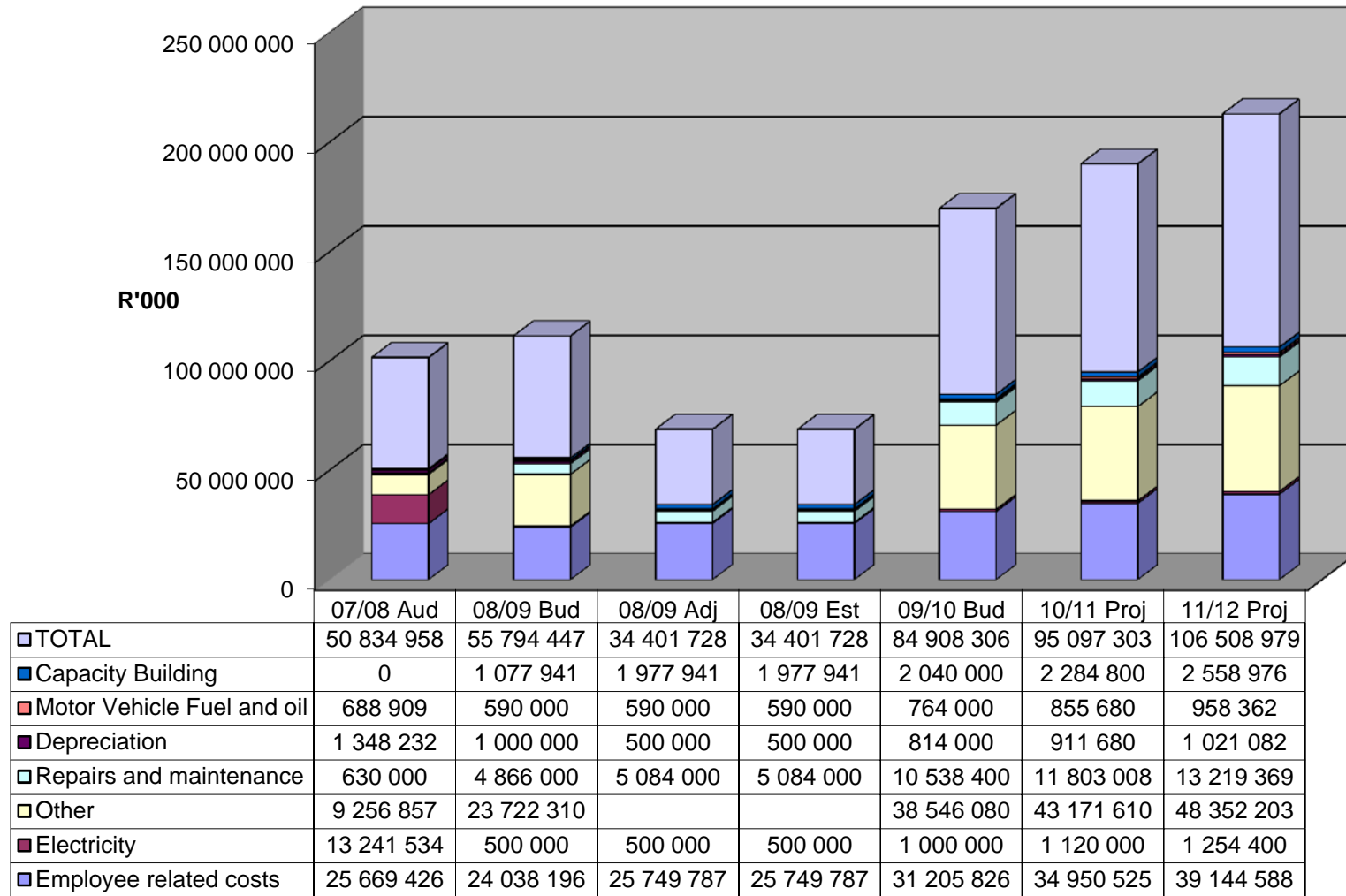
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

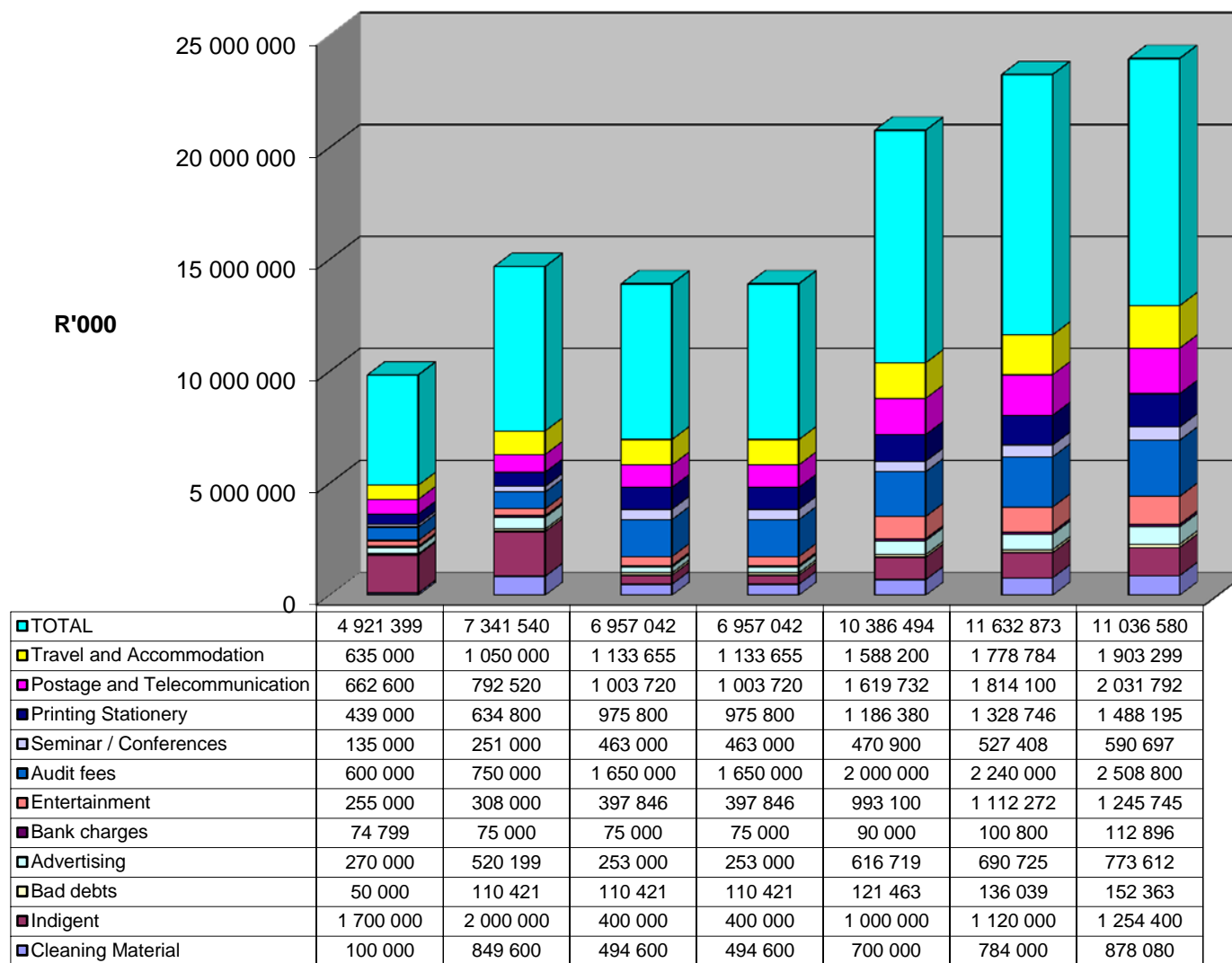
- The line items are as per the specimen financial statements. However, for useful information to be provided "**general expenses**" must be broken down further. This example shows example items comprising "general expenses".
- Refer to charts on pages 33 and 34.
- This agrees to Operating expenditure by Vote shown on page 23 and Operating expenditure classified by IDP goals etc on page 36.
- The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

### Operating Expenditure by Type





## Operating Expenditure by Type



SCHEDULE 1  REVENUE BY SOURCE	Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Operating Revenue by Source</u>							
Property rates & Refuse	2 672 526	2 599 694	1 599 694	1 599 694	13 000 000	14 560 000	16 307 200
Interest earned -	816 817	967 944	3 330 162	3 330 162	3 148 440	3 526 253	3 949 403
Fines & Licenses and permits	1 457 545	1 600 000	150 000	150 000	55 000	61 600	68 992
Government grants & subsidies	91 352 519	122 276 879	107 781 877	107 781 877	97 164 220	108 823 926	121 882 798
Other Income	9 564 289	12 644 355	12 699 258	12 699 258	13 693 922	15 337 193	17 177 656
<b>Total Revenue By Source</b>	<b>105 863 696</b>	<b>140 088 872</b>	<b>125 560 991</b>	<b>125 560 991</b>	<b>127 061 582</b>	<b>142 308 972</b>	<b>159 386 048</b>

SCHEDULE 2  OPERATING EXPENDITURE BY VOTE	Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Council	12 905 387	13 025 598	13 829 953	13 829 953	12 113 076	13 566 645	15 194 643
Municipal Manager	3 435 828	3 691 861	4 806 328	4 806 328	5 842 337	6 543 417	7 328 628
Corporate	6 139 318	8 036 053	9 045 553	9 045 553	11 303 294	12 659 689	14 178 852
Finance	11 763 858	13 335 791	14 987 646	14 987 646	18 122 204	20 296 868	22 732 493
Social Service	4 797 106	5 502 557	5 694 437	5 694 437	9 550 188	10 696 211	11 979 756
Planning and Housing	2 313 367	7 763 515	10 302 425	10 302 425	9 745 391	10 914 838	12 224 618
Infrastructure	6 465 662	10 730 614	12 142 396	12 142 396	19 071 816	21 360 434	23 923 686
<b>OPERATING EXPENDITURE BY VOTE</b>	<b>47 820 526</b>	<b>62 085 989</b>	<b>70 808 738</b>	<b>70 808 738</b>	<b>85 748 306</b>	<b>96 038 103</b>	<b>107 562 675</b>

SCHEDULE 3	Preceding Year	Current Year			Medium Term Revenue and Expenditure Framework		
	2007/2008	2008/2009			Budget Year	Budget Year +1	Budget Year +2
					2009/2010	2010/2011	2010/2012
CAPITAL EXPENDITURE BY VOTE	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
Council	50 000	100 000	100 000	100 000	120 000.00	134 400.00	150 528.00
Municipal Manager	50 000	100 000	450 000	450 000	120 000.00	134 400.00	150 528.00
Corporate	500 000	100 000	100 000	100 000	120 000.00	134 400.00	150 528.00
Finance	750 000	100 000	250 000	250 000	120 000.00	134 400.00	150 528.00
Social Service	2 120 000	140 000	140 000	140 000	120 000.00	134 400.00	150 528.00
Planning and Housing	23 277 170	28 877 170	5 100 000	5 100 000	2 605 580.00	2 918 249.60	3 268 439.55
Infrastructure	32 681 000	48 585 715	48 585 715	48 585 715	38 947 646.00	43 621 363.52	48 855 927.14
<b>CAPITAL EXPENDITURE BY VOTE</b>	<b>59 428 170</b>	<b>78 002 885</b>	<b>54 725 715</b>	<b>54 725 715</b>	<b>42 153 226.00</b>	<b>47 211 613.12</b>	<b>52 877 006.69</b>

SCHEDULE 4  CAPITAL FUNDING BY SOURCE	Preceding Year 2007/2008	Current Year 2008/2009			Medium Term Revenue and Expenditure Framework		
					Budget Year 2009/2010	Budget Year +1 2010/2011	Budget Year +2 2011/2012
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
<b>National Government</b>							
Amounts allocated / gazetted for that year	46 827 000	59 442 000	46 827 000	46 827 000	78 572 878	88 001 623	98 561 818
Amounts carried over from previous years					1 497 540	1 677 245	1 878 514
<b>Total Grants &amp; Subsidies - National Government</b>	<b>46 827 000</b>	<b>59 442 000</b>	<b>46 827 000</b>	<b>46 827 000</b>	<b>80 070 418</b>	<b>89 678 868</b>	<b>100 440 332</b>
<b>Provincial Government</b>							
Amounts allocated / gazetted for that year	44 525 519	62 834 879	60 954 877	60 954 877	4 589 994	5 140 793	5 757 688
Amounts carried over from previous years					12 503 808	14 004 265	15 684 777
<b>Total Grants &amp; Subsidies - Provincial Government</b>	<b>44 525 519</b>	<b>62 834 879</b>	<b>60 954 877</b>	<b>60 954 877</b>	<b>17 093 802</b>	<b>19 145 058</b>	<b>21 442 465</b>
<b>District Municipality</b>							
Amounts allocated for that year		0	-	-	0	0	0
Amounts carried over from previous years							
<b>Total Grants &amp; Subsidies - District Municipalities</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Government Grants &amp; Subsidies</b>	<b>91 352 519</b>	<b>122 276 879</b>	<b>107 781 877</b>	<b>107 781 877</b>	<b>97 164 220</b>	<b>108 823 926</b>	<b>121 882 798</b>
<b>Public Contributions &amp; Donations</b>							
<b>Accumulated Surplus (Own Funds)</b>							
<b>External Loans</b>							
<b>TOTAL FUNDING OF CAPITAL EXPENDITURE<sup>3</sup></b>							

<b>2009/2010 PROJECTS</b>	
<b>NEW PROJECTS</b>	<b>AMOUNT</b>
Tebetebe Bridge	618 151
Kwa Njunga Access Road	1 935 684
Mncweba Access Road	2 143 207
Juta Access Road	2 076 707
Mpindweni to Sikhulu Access Road	922 500
New Mountain Access Road	1 967 328
New Village Access Road (Indawana)	2 730 000
Ngujini to Driefontein Access Road	3 940 000
Nkofeni Access Road	2 580 000
Gcwentsa Access Road	2 536 000
Angus Farm Sports Field	3 191 393
Dulathi Access Road	819 069
Sibomvini Access Road	1 851 837
<b>TOTAL</b>	<b>27 311 875</b>

**SPH DEPT ROLL OVER PROJECTS FOR 2009-2010**

Urban renewal/residential flat	1 400 000
Land and Legal- LGTA	400 000
Gijima	185 580
Market stalls	300 000
Development planning Capacity Building	200 000
<b>Total</b>	<b>2 485 580</b>

**2007/8 FINANCIAL YEAR**

Project Name	Projected Rollover Amounts
Marhewini Sportsfield	R 41 483.72
Nsikeneni Sportsfield	R 160 688.87
Eskhewini River Crossing	R 100 000.00
Ntlambamasoka Cluster Acc. Rds	R 584 088.19
Umzimkhulu Main Street	R 1 819 307.84
Skoonplaas Access Road	R 7 312 709.26
<b>TOTAL</b>	<b>R 10 018 277.88</b>

**2008/9 FINANCIAL YEAR**

Bondrand Access Road	R 513 284.13
Elusizini Through Fare Access Road	R 26 000.00
T10 to Deda Access Road	R 82 403.62
Rehabilitation of Rocky Mount Acc. Rd.	R 130 852.33
Khivila Access Road	R 203 000.00
Mnceba Access Road	R 235 000.00
Rietvlei Taxi Rank	R 215 000.00
Upgrading of tweefontain Access Road	R 92 000.00
<b>TOTAL</b>	<b>R 1 497 540.08</b>

**TOTAL ROLLOVER**

**R 11 515 817.96**

---

---

---